THE MANITOBA ECONOMY

PROJECTED 2004 PERFORMANCE

MANITOBA
BUREAU OF STATISTICS

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REPORT #4A

PRICE: $100.00

NOVEMBER 4, 2004

105-00671/

Manitoba Bureau of Statistics

HIGHLIGHTS:

SOLID ECONOMIC GROWTH PROJECTED FOR MANITOBA IN 2004 AND 2005

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Summary: 2004 Projected Manitoba Gross Domestic Product

- **The Manitoba Bureau of Statistics (MBS) projects real economic growth in 2004 at 3.0%** up from the revised 1.4% real growth in 2003. Buoyed by strong domestic demand and increasing international exports Manitoba is expected to record its highest growth since 2000. **MBS is projecting another solid year of economic growth in 2005 at 2.6%.**

- **Manitoba's 3.0% real growth in 2004 is above the Canadian projected average growth rate of 2.9%** as reported by the private sector forecasting agencies.

- **The provincial economy will generate a record $35.4 billion of real market price (includes taxes) expenditures in 2004**. The expenditures are boosted by business investments, especially in residential structures.

- **Manitoba's population increased by 8,700 individuals over a 12-month period between July 2003 and July 2004.** This increase is the largest increase since 1986 when the annual increase was recorded at 9,400 individuals. This robust population growth has helped increase domestic demand by 3.3% in 2004, up from the five year historical average of 2.7%.

- **MBS projects personal spending on consumer goods and services to grow by 2.7% in 2004 while business investments are projected to expand by 6.6%.** For the third consecutive year, business investments are led by spending on residential construction projects. In 2004, total investments in residential structures are estimated to grow by 13.4% up from 7.4% and 12.0% in 2003 and 2002 respectively.

- The Canadian dollar has continued to appreciated against the U.S. dollar through 2004. The stronger currency is expected to increase imports of a broad range of internationally imported items, including machinery and equipment, building materials and automotive parts. For 2004, **total real import levels are projected to grow by 2.4%.** Import purchases create value added in the wholesale and retail sectors.

- **Total real exports are projected to turnaround and grow by 0.9% in 2004 following a 1.4% decrease in 2003.** International exports are projected to increase by 3.6% while inter-provincial exports are expected to decline by 1.5%. On a year to data basis (June 2004), exports from Manitoba to China have increased by over 300%. Increased shipments of wheat, barley and nickel are the key factor for this sharp increase in trade.

- **In current dollar terms, GDP at market prices is projected to grow by 5.2% in 2004 to $39.8 billion** up from $37.9 billion in 2003.

- According to Statistics Canada, Manitoba labour market activity has increased in 2004. On a year-to-date (September 2004) employment grew by 0.9% or 5,200 new jobs. As a result, **wages, salaries and supplementary labour income are projected to increase 3.9% in 2004** following a 3.3% gain in 2003.

- After posting a 11.3% decline in 2003, **interest and miscellaneous investment income is projected to grow by 5.8% in 2004.** Two contributing factors for the increase in investments are better returns on pension plans and a reduction in total government debt payment (the federal, provincial and local government debt level is subtracted from investment income).

- **Unincorporated business income**, which includes earnings from independent business (e.g. contractors, lawyers and corner stores) as well as imputed rent, is **expected to grow by 7.0% in 2004.**

- In the last two years, agricultural trade has been restricted by various global trade policies. Several countries, including the US, imposed a complete ban on Canadian cattle following the discovery of Bovine Spongiform Encephalopathy (BSE) disease. The US has imposed a 14.15% tariff on Canadian wheat and a 14.1% tariff on exports of hogs to the US market. These factors will have a negative financial implication for Manitoba farmers.

- Livestock receipts are expected to drop by almost $95 million and crop receipts are projected to increase by $5 million in 2004. Due to the financial malaise, government and other direct program payments to farmers are projected to increase by $287 million to a level of $595 million in 2004. Consequently, **total farm cash receipts are projected to increase by 5.5% or $196 million to $3.7 billion in 2004**.

- Despite an increase in farm cash receipts, **accrued net farm income** (which includes the value of inventory change) **is projected to decline to $123 million in 2004,** a decrease of $108 million from 2003. Farm inventory valuation has decreased by $205 million in 2004 due to a combination of an increase in marketing's and a decrease in prices.

- **Personal income growth is expected to increase by 3.7% this year. Personal disposable income** (personal income minus transfers to government) **is estimated to increase by 4.0%**. The growth in income will mark a record level for discretionary income in the province at $25.3 billion in 2004.

- In the industrial accounts, **real Manitoba's GDP at basic prices is projected to increase by 3.0% in 2004** up from 1.6% growth in 2003.

- **The manufacturing sector, which accounts for about 12.9% of industrial production in the province, is expected to accelerate to 5.6% in 2004** up from 0.3% in 2003. The solid performance in the manufacturing sector is broad based with notable strengths in the food, primary metals, chemical products and wood manufacturing industries.

- Buoyed by a surge in housing starts the **construction sector is expected to grow by 6.7% this year.** Residential repair and renovation activity also continues at a torrent pace. In the non-residential construction sector, some of the larger institutional and commercial projects include the True North Entertainment Complex, the buildings at the University of Manitoba, University of Winnipeg and Red River College.

- **The agriculture sector had many challenges in 2004, which resulted in an estimated decrease in real GDP growth of 2.8%.** The BSE situation continues to keep boarders closed. The recently imposed 14.1% US tariff on hog exports is expected to cost Manitoba hog producers an estimated $50 million in lost revenue. Corp producers faced adverse weather conditions with above average precipitation, record cool temperatures and early frost in many areas of the province. Consequently, production estimate for wheat is down by 13.6%, oat down by 22.5% and after two year of exception yields, canola production is estimated to decline by 7.8%. The poor weather conditions also affected the grade quality of the 2004 crop.

- With surging metallic commodity prices, **Manitoba's mining sector is expected to post GDP growth of 6.5% in 2004** up from a decline of 3.8% in 2003. In value added terms the largest contribution to growth in this sector is from copper production followed by zinc and gold. Nickel production volumes are expected to decline marginally in 2004.

- The province is expected to surpass 4,000 housing starts for the second consecutive year. The apartment vacancy rate remains amongst the lowest in the country. The continued strengths in the **real-estate market lifted the finance, insurance, real estate and leasing sector at 3.5% in 2004**.

- Increased real-estate activity has contributed to brisk retail sales in Manitoba, especially for household furnishings and appliances. The stronger Canadian dollar has helped lower retail prices for imported goods. In addition, the relatively low interest rates continue to increase affordability of big-ticket items. On a year to date basis (August 2004), nominal retail sales are up by 7.5% in 2004, the second highest growth in Canada. **MBS estimated that total real GDP in retail trade will grow by 3.7% in 2004 up from 2.3% in 2003.**

NOTE TO USERS

The current MBS Manitoba Economic Accounts data release incorporates revised and new information with regard to economic activity in the province. The changes affect both the level and growth rates of expenditures and income in Manitoba from 2000 to 2003.

Real GDP Growth

	1998	1999	2000	2001	2002	2003
MBS February 11, 2004 Release	4.1	1.6	4.5	1.3	2.3	1.9
MBS November 11, 2004 Release	4.1	1.6	4.5	0.6	2.3	1.4
Percent Difference	0.0	0 0	0.0	-0.7	0.0	-0.5

The above table shows the revision to the MBS data in percentage terms. The revisions to real GDP growth have been marginal with the exception of the -0.7% decrease in 2001 and -0.5% in 2003.

These changes are mainly due decreases in exports of goods and services in 2001 (-$387 million), in 2002 (-$576 million) and in 2003 (-$584 million). 2004 also saw revisions of $301 to business inventories. These changes resulted from incorporating new data received from Statistics Canada.

Details on the revisions for all key expenditure components are provided in Table 9. The net effects of changes to the expenditure components were an overall real GDP decrease of $197 million in 2001, a decrease of $177 million in 2002 and a $347 million decrease in 2003.

Estimates for 2004 GDP expenditure, income and farm reconciliation are provided in this publication. The estimates are based on detailed year to date survey information on a variety of economic data that is monitored by MBS. For the remaining months of the year, trend projections are generated using a macro economic model. These projections provide advance information on the direction and trends in the Manitoba economy in the current year.

The next publication of the Manitoba Economic Account by MBS will be in February 2005. At this time, MBS will be incorporating any revisions to the Accounts data that are warranted and update the projected estimates for 2004. In February, MBS will update the forecast of economic growth for 2005.

The MBS estimates differ from the average of the major private sector provincial forecasts (consensus forecast) monitored by Manitoba Finance. Currently, the consensus forecast estimates real growth in 2004 at 2.8%, while the corresponding MBS estimate is 3.0%. On the nominal accounts, the consensus projects 4.9% growth compared with MBS's 5.2%.

GDP Preliminary Estimates For 2004	Real GDP Growth	Nominal GDP Growth
MBS November 1, 2004 Release	3.0%	5.2%
Consensus Forecast	2.8%	4.9%
Percent Difference	0.2%	0.3%

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GRAPHICAL SUMMARY

(1) GDP at Market Prices, Chained 1997 Dollars

(2) Final Domestic Demand, Chained 1997 Dollars

(3) Personal Expenditure, Chained 1997 Dollars

(4) Government Expenditure, Chained 1997 Dollars

(5) Business Expenditure, Chained 1997 Dollars

(6) Total Exports, Chained 1997 Dollars

(7) International Exports, Chained 1997 Dollars

(8) Total Imports, Chained 1997 Dollars

(9) International Imports, Chained 1997 Dollars

(10) Labour Income, Current Dollars

(11) Accrued Net Farm Income, Current Dollars

(12) Personal Disposable Income, Current Dollars

TABLE SUMMARY

(1) Manitoba Gross Domestic Product, expenditure-based in Chained $1997

(2) Manitoba Gross Domestic Product, expenditure-based in Current Dollars

(3) Manitoba Gross Domestic Product, income-based in Current Dollars

(4) Manitoba Personal Income, sources and disposition in Current Dollars

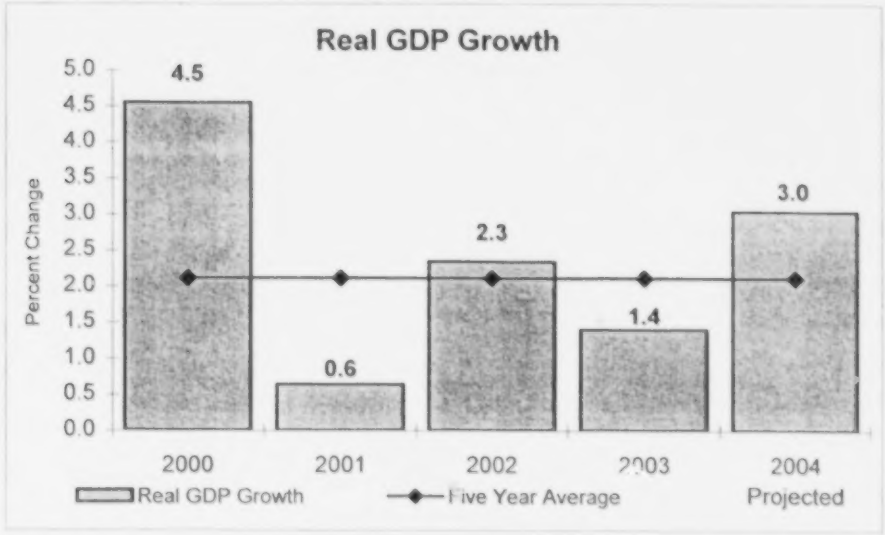
(5) Manitoba Farm Income, reconciliation in Current Dollars

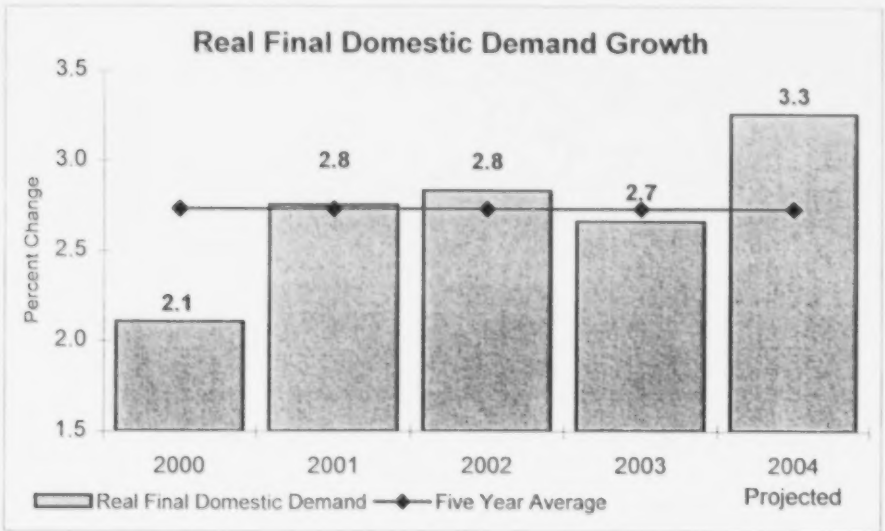
(6) Manitoba Price Indexes (1997 = 100)

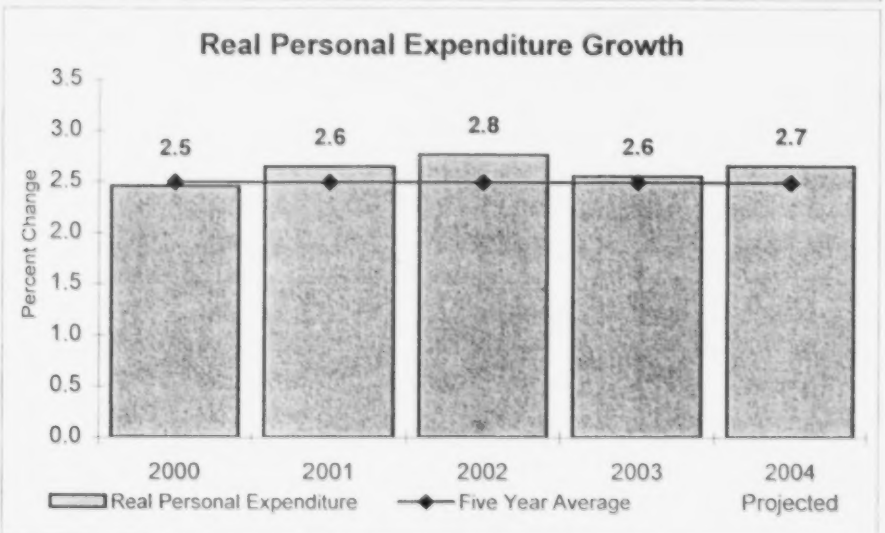
(7) Gross Domestic Product, by Industry in $1997 Prices

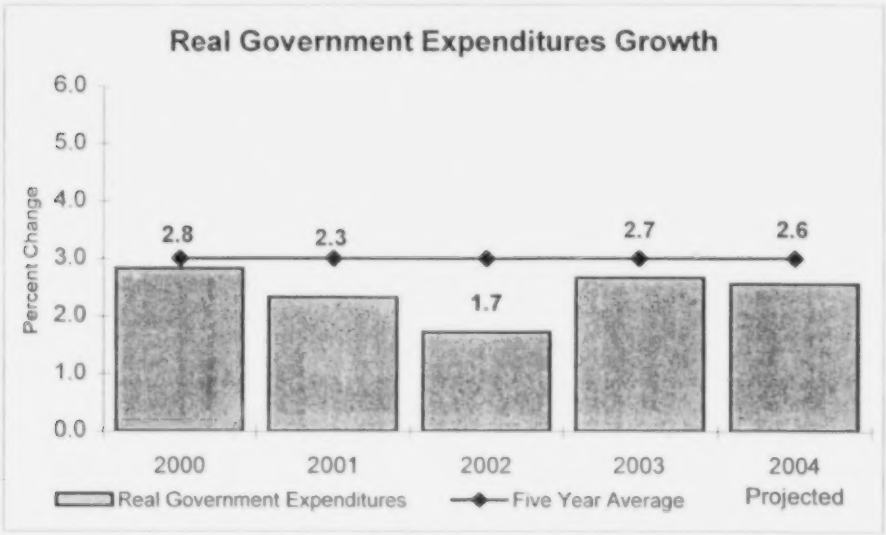
(8) Gross Domestic Product by Industry, Industrial Share

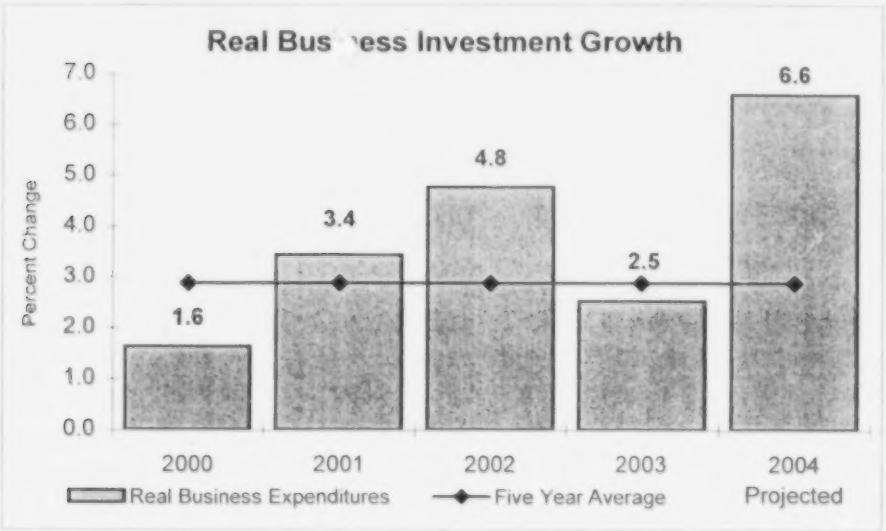
(9) Comparison Between November 2004 and February 2004 Publications, Gross Domestic Product, expenditure-based in Chained $1997

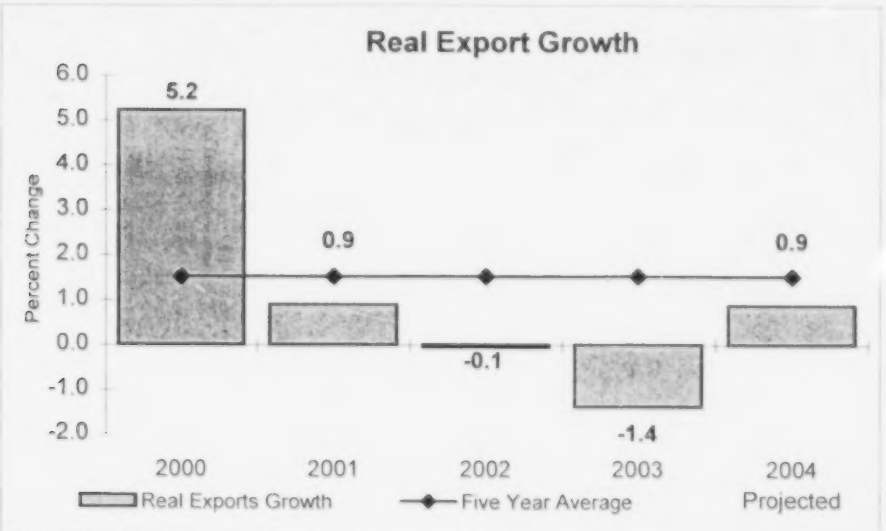

Real GDP Growth
Percent Change
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
4.5
0.6
2.3
1.4
3.0
2000
2001
2002
2003
2004
Projected
Real GDP Growth
Five Year Average


Real Final Domestic Demand Growth
Percent Change
3.5
3.0
2.5
2.0
1.5
2.1
2.8
2.8
2.7
3.3
2000
2001
2002
2003
2004
Projected
Real Final Domestic Demand
Five Year Average

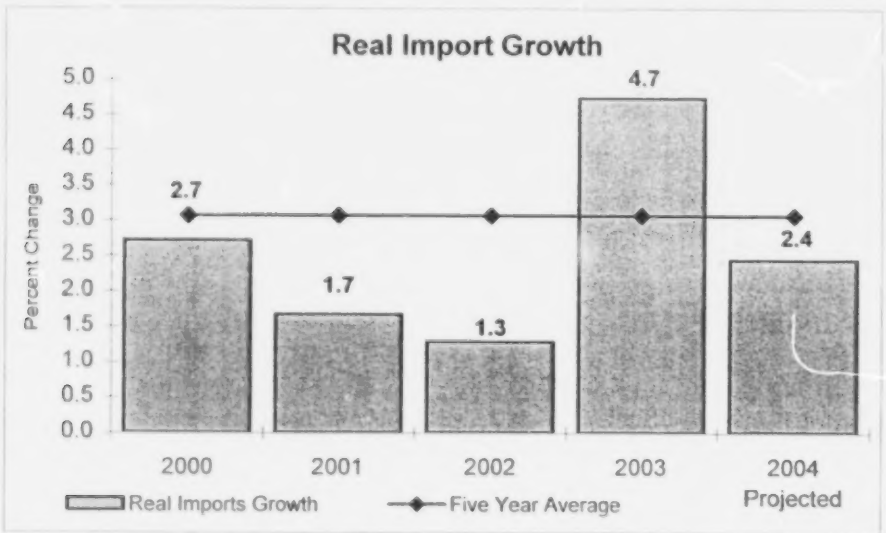

Real Personal Expenditure Growth
Percent Change
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2.5
2.6
2.8
2.6
2.7
2000
2001
2002
2003
2004
Projected
Real Personal Expenditure
Five Year Average

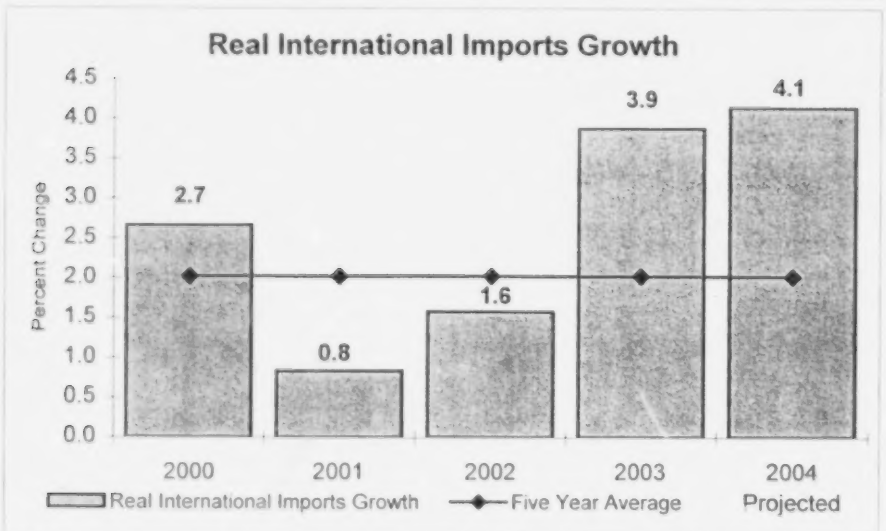

Real Government Expenditures Growth
Percent Change
6.0
5.0
4.0
3.0
2.0
1.0
0.0
2.8
2.3
1.7
2.7
2.6
2000
2001
2002
2003
2004
Projected
Real Government Expenditures
Five Year Average

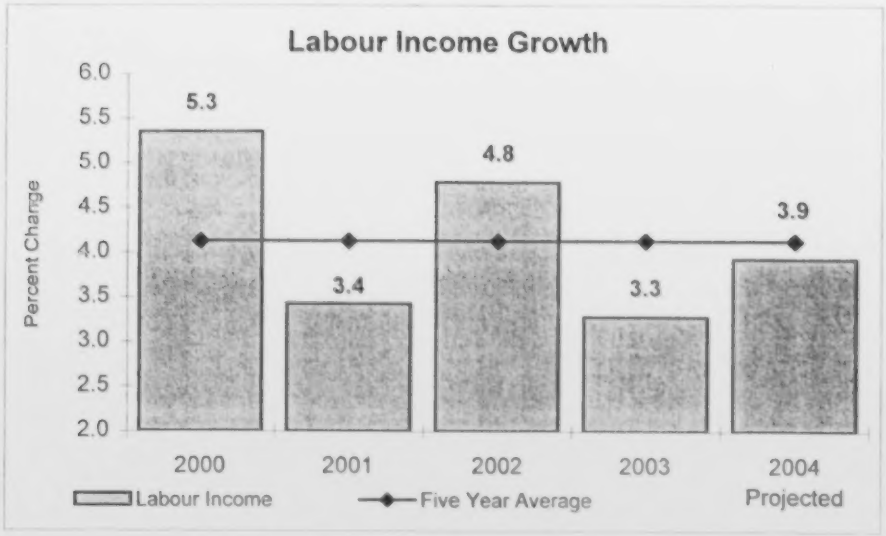

Real Bus ess Investment Growth
Percent Change
7.0
6.0
5.0
4.0
3.0
2.0
1.0
0.0
1.6
3.4
4.8
2.5
6.6
2000
2001
2002
2003
2004
Projected
Real Business Expenditures
Five Year Average

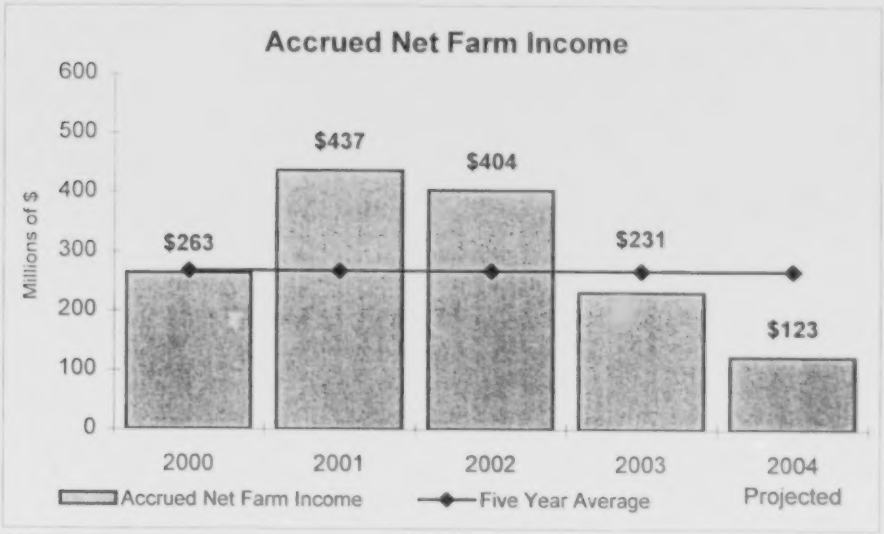

Real Export Growth
Percent Change
6.0
5.0
4.0
3.0
2.0
1.0
0.0
-1.0
-2.0
5.2
0.9
-0.1
-1.4
0.9
2000
2001
2002
2003
2004
Projected
Real Exports Growth
Five Year Average

Real International Exports Growth
Percent Change
7.0
5.0
3.0
1.0
-1.0
-3.0
-5.0
5.2
1.0
-3.9
-3.0
3.6
2000
2001
2002
2003
2004 Projected
Real International Exports Growth
Five Year Average


Real Import Growth
Percent Change
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2.7
1.7
1.3
4.7
2.4
2000
2001
2002
2003
2004 Projected
Real Imports Growth
Five Year Average


Real International Imports Growth
Percent Change
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
2.7
0.8
1.6
3.9
4.1
2000
2001
2002
2003
2004 Projected
Real International Imports Growth
Five Year Average


Labour Income Growth
Percent Change
6.0
5.5
5.0
4.5
4.0
3.5
3.0
2.5
2.0
5.3
3.4
4.8
3.3
3.9
2000
2001
2002
2003
2004 Projected
Labour Income
Five Year Average


Accrued Net Farm Income
Millions of $
600
500
400
300
200
100
0
$263
$437
$404
$231
$123
2000
2001
2002
2003
2004 Projected
Accrued Net Farm Income
Five Year Average

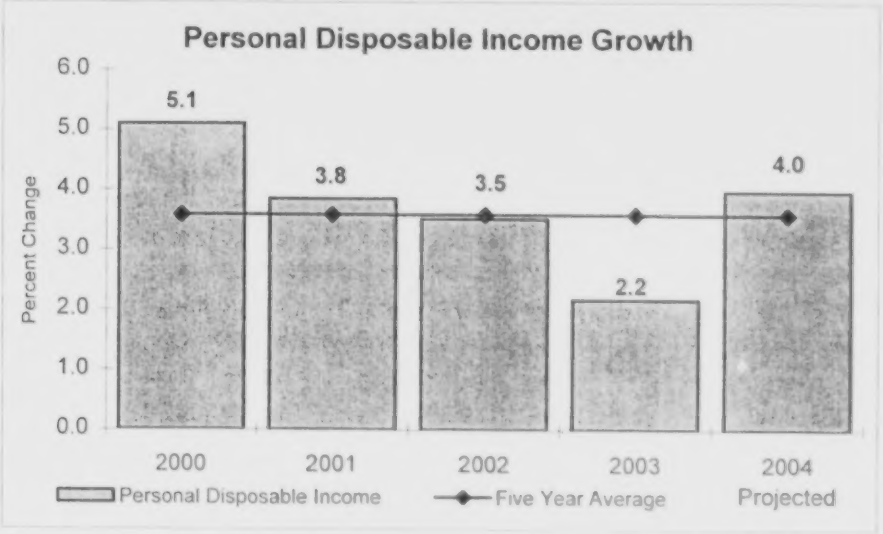

Personal Disposable Income Growth
Percent Change
6.0
5.0
4.0
3.0
2.0
1.0
0.0
5.1
3.8
3.5
2.2
4.0
2000
2001
2002
2003
2004 Projected
Personal Disposable Income
Five Year Average

TABLE 1

REAL MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
	(MILLIONS OF CHAINED 1997 DOLLARS)					
PERSONAL EXPENDITURE	19,199	19,669	20,189	20,747	21,277	21,841
	2.1	2.5	2.6	2.8	2.6	2.7
GOVERNMENT EXPENDITURE	7,064	7,263	7,432	7,560	7,762	7,961
	5.5	2.8	2.3	1.7	2.7	2.6
GOVERNMENT INVESTMENT IN CAPITAL	789	708	748	771	824	867
	28.4	-10.3	5.7	3.1	6.8	5.2
STRUCTURES	539	436	473	503	539	569
	23.2	-19.2	8.6	6.4	7.1	5.5
MACHINERY AND EQUIPMENT	251	280	281	270	287	300
	42.1	11.5	0.5	-3.8	6.1	4.6
GOVERNMENT INVESTMENT IN INVENTORIES	0	1	0	-2	-2	-2
BUSINESS INVESTMENT	4,902	4,982	5,153	5,399	5,535	5,899
	2.0	1.6	3.4	4.8	2.5	6.6
RESIDENTIAL STRUCTURES	992	1,024	1,118	1,252	1,344	1,525
	-5.1	3.2	9.1	12.0	7.4	13.4
NON-RESIDENTIAL STRUCTURES	1,335	1,124	1,246	1,191	1,170	1,195
	-12.6	-15.8	10.8	-4.4	-1.7	2.2
MACHINERY AND EQUIPMENT	2,581	2,856	2,800	2,974	3,039	3,190
	15.8	10.7	-2.0	6.2	2.2	5.0
BUSINESS INVESTMENT IN INVENTORIES	199	529	-260	61	578	745
NON-FARM	179	268	-179	135	129	90
FARM	14	269	-79	-81	453	691
EXPORTS OF GOODS AND SERVICES	19,607	20,631	20,815	20,804	20,518	20,696
	2.9	5.2	0.9	-0.1	-1.4	0.9
EXPORTS TO OTHER COUNTRIES	9,640	10,145	10,247	9,845	9,550	9,890
	-0.6	5.2	1.0	-3.9	-3.0	3.6
EXPORTS TO OTHER PROVINCES	9,968	10,486	10,568	10,968	10,980	10,814
	6.5	5.2	0.8	3.8	0.1	-1.5
DEDUCT: IMPORTS OF GOODS AND SERVICES	20,296	20,848	21,196	21,468	22,484	23,034
	4.9	2.7	1.7	1.3	4.7	2.4
IMPORTS FROM OTHER COUNTRIES	9,669	9,926	10,009	10,166	10,561	10,998
	1.1	2.7	0.8	1.6	3.9	4.1
IMPORTS FROM OTHER PROVINCES	10,633	10,928	11,191	11,306	11,926	12,049
	8.7	2.8	2.4	1.0	5.5	1.0
STATISTICAL DISCREPANCY	-14	-52	210	-7	139	-134
REAL GDP AT MARKET PRICES	**31,441**	**32,871**	**33,080**	**33,854**	**34,329**	**35,372**
	1.6	4.5	0.6	2.3	1.4	3.0
REAL FINAL DOMESTIC DEMAND	31,951	32,624	33,522	34,472	35,390	36,545
	3.3	2.1	2.8	2.8	2.7	3.3

TABLE 2

MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
	(MILLIONS OF CURRENT DOLLARS)					
PERSONAL EXPENDITURE	19,776	20,657	21,659	22,709	23,706	24,744
	4.0	4.5	4.9	4.8	4.4	4.4
GOVERNMENT EXPENDITURE	7,326	7,820	8,095	8,434	8,818	9,250
	7.5	6.7	3.5	4.2	4.5	4.9
GOVERNMENT INVESTMENT IN CAPITAL	790	727	773	804	838	910
	27.8	-8.0	6.3	4.1	4.2	8.6
STRUCTURES	555	470	518	562	595	656
	25.1	-15.4	10.3	8.5	5.8	10.3
MACHINERY AND EQUIPMENT	235	258	255	242	244	255
	34.6	9.7	-1.0	-4.9	0.5	4.6
GOVERNMENT INVESTMENT IN INVENTORIES	0	1	0	0	0	
BUSINESS INVESTMENT	4,972	5,084	5,352	5,686	5,768	6,108
	1.5	2.3	5.3	6.3	1.4	5.9
RESIDENTIAL STRUCTURES	1,020	1,074	1,201	1,364	1,519	1,784
	-3.2	5.3	11.8	13.6	11.4	17.4
NON-RESIDENTIAL STRUCTURES	1,393	1,207	1,368	1,340	1,358	1,417
	-10.8	-13.4	13.4	-2.1	1.4	4.4
MACHINERY AND EQUIPMENT	2,559	2,803	2,782	2,982	2,891	2,907
	12.1	9.6	-0.8	7.2	-3.1	0.6
BUSINESS INVESTMENT IN INVENTORIES	221	506	-213	-22	222	286
NON-FARM	368	356	-135	151	136	96
FARM	-147	150	-78	-173	86	190
EXPORTS OF GOODS AND SERVICES	19,629	21,467	22,059	22,527	22,285	23,055
	3.2	9.4	2.8	2.1	-1.1	3.5
EXPORTS TO OTHER COUNTRIES	9,626	10,627	10,971	10,779	10,482	11,105
	-0.9	10.4	3.2	-1.8	-2.8	5.9
EXPORTS TO OTHER PROVINCES	10,003	10,840	11,088	11,748	11,803	11,949
	7.4	8.4	2.3	6.0	0.5	1.2
DEDUCT: IMPORTS OF GOODS AND SERVICES	20,776	22,115	22,935	23,320	23,913	24,357
	5.5	6.4	3.7	1.7	2.5	1.9
IMPORTS FROM OTHER COUNTRIES	9,953	10,329	10,749	10,946	10,979	11,142
	0.3	3.8	4.1	1.8	0.3	1.5
IMPORTS FROM OTHER PROVINCES	10,823	11,786	12,186	12,375	12,934	13,215
	10.8	8.9	3.4	1.6	4.5	2.2
STATISTICAL DISCREPANCY	-14	-54	222	-7	154	-151
GDP AT MARKET PRICES	**31,925**	**34,093**	**35,012**	**36,812**	**37,878**	**39,846**
	3.3	6.8	2.7	5.1	2.9	5.2
FINAL DOMESTIC DEMAND	32,864	34,288	35,878	37,634	39,129	41,013
	4.8	4.3	4.6	4.9	4.0	4.8

TABLE 3

MANITOBA GROSS DOMESTIC PRODUCT
INCOME-BASED IN CURRENT DOLLARS
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
			(MILLIONS OF CURRENT DOLLARS)			
WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME	16,275	17,146	17,733	18,581	19,190	19,944
	3.8	5.3	3.4	4.8	3.3	3.9
CORPORATION PROFITS BEFORE TAXES	2,600	3,014	2,980	3,259	3,548	4,028
	8.7	15.9	-1.1	9.4	8.9	13.5
INTEREST AND MISCELLANEOUS INVESTMENT INCOME	2,702	2,962	3,009	2,783	2,469	2,613
	2.7	9.6	1.6	-7.5	-11.3	5.8
ACCRUED NET INCOME OF FARM OPERATORS	1	263	437	404	231	123
	-98.5	26,458.9	65.8	-7.6	-42.8	-46.7
NET INCOME OF NON-FARM UNINCORPORATED BUSINESS	2,209	2,254	2,299	2,477	2,624	2,806
	4.2	2.0	2.0	7.7	5.9	7.0
INVENTORY VALUATION ADJUSTMENT	-43	-92	-84	-49	152	-124
TAXES LESS SUBSIDIES ON FACTORS OF PRODUCTION	1,733	1,767	1,744	1,758	1,833	1,895
	1.0	2.0	-1.3	0.8	4.3	3.4
NET DOMESTIC PRODUCT AT BASIC PRICES	**25,477**	**27,314**	**28,118**	**29,213**	**30,047**	**31,286**
	3.8	7.2	2.9	3.9	2.9	4.1
TAXES LESS SUBSIDIES ON PRODUCTS	2,275	2,342	2,473	2,715	2,825	2,956
	-2.6	2.9	5.6	9.8	4.1	4.6
CAPITAL CONSUMPTION ALLOWANCES	4,159	4,383	4,644	4,877	5,160	5,453
	5.0	5.4	6.0	5.0	5.8	5.7
STATISTICAL DISCREPANCY	14	54	-222	7	-154	151
GROSS DOMESTIC PRODUCT AT MARKET PRICES	**31,925**	**34,093**	**35,012**	**36,812**	**37,878**	**39,846**
	3.3	6.8	2.7	5.1	2.9	5.2
GROSS DOMESTIC PRODUCT AT BASIC PRICES	29,650	31,751	32,539	34,097	35,053	36,890
	3.8	7.1	2.5	4.8	2.8	5.2

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TABLE 4

MANITOBA PERSONAL INCOME
SOURCES AND DISPOSITION
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
	(MILLIONS OF CURRENT DOLLARS)					
WAGES, SALARIES AND SUPPLEMENTARY LABOUR INCOME*	16,339	17,209	17,809	18,615	19,225	19,979
	3.8	5.3	3.5	4.5	3.3	3.9
ACCRUED NET INCOME OF FARM OPERATORS	1	263	437	404	231	123
	-98.5	26458.9	65.8	-7.6	-42.8	-46.7
NET INCOME OF NON-FARM UNINCORPORATED BUSINESS	2,209	2,254	2,299	2,477	2,624	2,806
	4.2	2.0	2.0	7.7	5.9	7.0
INTEREST, DIVIDENDS AND MISCELLANEOUS INVESTMENT INCOME	3,712	3,893	3,855	3,473	3,371	3,477
	3.0	4.9	-1.0	-9.9	-2.9	3.2
CURRENT TRANSFERS:						
FROM GOVERNMENT	4,460	4,633	4,821	5,035	5,178	5,384
	-0.2	3.9	4.1	4.4	2.8	4.0
FROM CORPORATIONS	43	55	56	59	63	67
	13.2	27.9	1.8	5.4	6.8	5.7
FROM NON-RESIDENTS	85	88	91	96	94	97
	1.2	3.5	3.4	5.5	-2.1	2.8
PERSONAL INCOME	**26,849**	**28,395**	**29,368**	**30,159**	**30,786**	**31,932**
	2.8	5.8	3.4	2.7	2.1	3.7
DEDUCT:						
CURRENT TRANSFERS TO GOVERNMENT	5,786	6,259	6,381	6,365	6,476	6,657
	1.1	8.2	1.9	-0.3	1.7	2.8
EQUALS:						
PERSONAL DISPOSABLE INCOME	**21,063**	**22,136**	**22,987**	**23,794**	**24,309**	**25,275**
	3.3	5.1	3.8	3.5	2.2	4.0
DEDUCT:						
PERSONAL EXPENDITURE ON CONSUMER GOODS AND SERVICES	19,776	20,657	21,659	22,709	23,706	24,744
	4.0	4.5	4.9	4.8	4.4	4.4
CURRENT TRANSFERS TO CORPORATIONS	269	338	352	321	353	369
	10.2	25.7	4.1	-8.8	10.0	4.7
CURRENT TRANSFERS TO NON-RESIDENTS	65	66	75	78	81	84
	20.4	1.5	13.6	4.0	3.8	4.1
EQUALS:						
PERSONAL SAVING	953	1,075	901	685	169	77
	-11.4	12.8	-16.2	-23.9	-75.3	-54.5
PERSONAL SAVINGS RATE	**4.5**	**4.9**	**3.9**	**2.9**	**0.7**	**0.3**

* LABOUR INCOME BASED ON PROVINCE OF RESIDENCE.

TABLE 5

MANITOBA FARM INCOME
RECONCILIATION
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
	(MILLIONS OF CURRENT DOLLARS)					
TOTAL FARM CASH RECEIPTS	2,908	3,151	3,697	3,855	3,546	3,742
	-1.0	8.3	17.4	4.3	-8.0	5.5
CROPS	1,401	1,313	1,519	1,915	1,684	1,689
	-14.0	-6.3	15.8	26.0	-12.1	0.3
LIVESTOCK	1,291	1,551	1,796	1,721	1,554	1,459
	6.1	20.1	15.8	-4.1	-9.7	-6.1
DIRECT PAYMENTS	216	287	382	219	308	595
	134.6	32.9	33.1	-42.7	40.8	92.9
MINUS: OPERATING EXPENSES	2,376	2,563	2,790	2,929	3,094	3,186
	-0.2	7.9	8.9	5.0	5.6	3.0
= NET CASH INCOME	**532**	**587**	**907**	**926**	**452**	**556**
	-4.5	10.4	54.5	2.1	-51.2	23.0
PLUS: INCOME IN KIND	9	9	9	8	8	8
	-0.4	4.2	-5.9	-4.7	0.0	0.0
MINUS: DEPRECIATION CHARGES	389	387	398	397	426	430
	3.3	-0.5	2.8	-0.1	7.3	0.9
= REALIZED NET INCOME	**152**	**209**	**517**	**537**	**34**	**134**
	-19.9	38.1	147.3	3.8	-93.6	293.0
PLUS: VALUE OF INVENTORY CHANGE	-103	120	2	-71	186	19
MINUS: AMOUNTS INCLUDED IN OTHER COMPONENTS OF GDP	30	53	55	39	39	39
	-54.5	76.7	3.8	-29.1	0.0	0.0
PLUS: FARM CASH ADJUSTMENTS	-32	-1	-13	-20	12	-6
= NET INCOME RECEIVED BY FARM OPERATORS FROM FARM PRODUCTION	**-13**	**274**	**452**	**408**	**193**	**108**
	-121.3	-2210.2	64.7	-9.9	-52.7	-44.2
PLUS: ADJUSTMENT ON GRAIN TRANSACTIONS	14	-11	-15	-4	38	16
= ACCRUED NET INCOME OF FARM OPERATORS	**1**	**263**	**437**	**404**	**231**	**123**
	-98.5	26458.9	65.8	-7.6	-42.8	-46.7

TABLE 6

MANITOBA PRICE INDEXES
(CHAINED 1997 DOLLARS)
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
PERSONAL EXPENDITURE	103.0	105.0	107.3	109.5	111.4	113
	1.9	2.0	2.2	2.0	1.8	1.7
GOVERNMENT EXPENDITURE	103.7	107.7	108.9	111.6	113.6	116.2
	1.9	3.8	1.2	2.4	1.8	2.3
GOVERNMENT INVESTMENT IN CAPITAL	100.2	102.8	103.3	104.3	101.7	105.0
	-0.5	2.6	0.5	0.9	-2.4	3.2
STRUCTURES	103.0	107.8	109.5	111.6	110.3	115.3
	1.6	4.7	1.6	1.9	-1.2	4.5
MACHINERY AND EQUIPMENT	93.6	92.1	90.7	89.7	85.0	85.0
	-5.3	-1.6	-1.5	-1.2	-5.2	0.0
BUSINESS INVESTMENT	101.4	102.1	103.9	105.3	104.2	103.5
	-0.5	0.6	1.8	1.4	-1.1	-0.6
RESIDENTIAL STRUCTURES	102.8	104.9	107.5	109.0	113.0	117.0
	2.0	2.0	2.5	1.4	3.7	3.5
NON-RESIDENTIAL STRUCTURES	104.3	107.4	109.8	112.6	116.1	118.6
	2.1	2.9	2.3	2.5	3.1	2.2
MACHINERY AND EQUIPMENT	99.1	98.1	99.4	100.3	95.1	91.1
	-3.1	-1.0	1.2	0.9	-5.2	-4.2
EXPORTS OF GOODS AND SERVICES	100.1	104.1	106.0	108.3	108.6	111.4
	0.3	3.9	1.9	2.2	0.3	2.6
EXPORTS TO OTHER COUNTRIES	99.9	104.7	107.1	109.5	109.8	112.3
	-0.2	4.9	2.2	2.3	0.2	2.3
EXPORTS TO OTHER PROVINCES	100.4	103.4	104.9	107.1	107.5	110.5
	0.8	3.0	1.5	2.1	0.4	2.8
DEDUCT: IMPORTS OF GOODS AND SERVICES	102.4	106.1	108.2	108.6	106.4	105.7
	0.6	3.6	2.0	0.4	-2.1	-0.6
IMPORTS FROM OTHER COUNTRIES	102.9	104.1	107.4	107.7	104.0	101.3
	-0.9	1.1	3.2	0.2	-3.4	-2.5
IMPORTS FROM OTHER PROVINCES	101.8	107.9	108.9	109.4	108.4	109.7
	2.0	6.0	1.0	0.5	-0.9	1.1
GDP AT MARKET PRICES	101.5	103.7	105.8	108.7	110.3	112.6
	1.7	2.1	2.0	2.7	1.5	2.1
FINAL DOMESTIC DEMAND	102.9	105.1	107.0	109.2	110.6	112.2
	1.5	2.2	1.8	2.0	1.3	1.5

TABLE 7

REAL GROSS DOMESTIC PRODUCT BY INDUSTRY*
BASIC PRICES
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
	(Millions of Dollars, 1997 Prices)					
AGRICULTURE	1,448	1,603	1,366	1,416	1,479	1,437
	-0.2	10.7	-14.8	3.7	4.4	-2.8
FORESTRY, FISHING & HUNTING	92	99	99	101	103	114
	37.5	7.7	0.3	2.0	2.2	10.0
MINING, OIL & GAS EXTRACTION	544	662	661	603	580	617
	-11.4	21.6	-0.1	-8.8	-3.8	6.5
UTILITIES	973	1,015	1,016	971	848	870
	-5.4	4.3	0.1	-4.4	-12.7	2.7
CONSTRUCTION	1,289	1,170	1,395	1,340	1,385	1,478
	-4.1	-9.3	19.3	-4.0	3.4	6.7
MANUFACTURING	3,600	3,900	3,893	3,969	3,982	4,207
	-5.7	8.3	-0.2	1.9	0.3	5.6
WHOLESALE TRADE	1,842	1,893	1,892	2,035	2,092	2,162
	3.5	2.8	-0.1	7.6	2.8	3.3
RETAIL TRADE	1,687	1,777	1,836	1,933	1,978	2,051
	8.3	5.4	3.3	5.3	2.3	3.7
TRANSPORTATION & WAREHOUSING	2,065	2,132	2,071	2,084	2,089	2,133
	7.6	3.3	-2.9	0.6	0.2	2.1
INFORMATION & CULTURAL INDUSTRIES & ARTS & ENTERTAINMENT	1,188	1,301	1,355	1,440	1,492	1,525
	3.4	9.5	4.1	6.2	3.6	2.2
FINANCE & INSURANCE & REAL ESTATE & RENTAL & LEASING	5,703	5,946	6,094	6,307	6,465	6,688
	2.7	4.3	2.5	3.5	2.5	3.5
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES	813	774	766	760	804	834
	14.3	-4.8	-1.1	-0.7	5.9	3.7
MANAGEMENT OF COMPANIES & ENTERPRISES & ADMINISTRATIVE & OTHER SUPPORT	482	441	474	506	520	537
	16.3	-8.6	7.4	6.9	2.8	3.2
EDUCATION SERVICES	1,542	1,553	1,548	1,574	1,603	1,663
	3.5	0.7	-0.3	1.7	1.8	3.7
HEALTH CARE & SOCIAL SERVICES	2,165	2,178	2,154	2,235	2,302	2,346
	3.5	0.6	-1.1	3.7	3.0	1.9
ACCOMMODATION AND FOOD SERVICES	659	802	781	775	752	722
	-3.2	21.8	-2.7	-0.7	-3.0	-4.0
OTHER SERVICES	780	838	867	894	897	915
	-2.5	7.4	3.5	3.0	0.4	2.0
PUBLIC ADMINISTRATION	2,177	2,286	2,296	2,336	2,346	2,419
	3.2	5.0	0.5	1.7	0.4	3.1
GROSS DOMESTIC PRODUCT AT BASIC PRICES	**29,050**	**30,371**	**30,564**	**31,280**	**31,774**	**32,719**
	1.6	4.5	0.6	2.3	1.6	3.0

* BASED ON THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)

TABLE 8

REAL GROSS DOMESTIC PRODUCT BY INDUSTRY*
INDUSTRIAL SHARE
1999 - 2004

	1999	2000	2001	2002	2003	2004 Projected
			(Percent Change)			
AGRICULTURE	5.0	5.3	4.5	4.5	4.7	4.4
FORESTRY, FISHING & HUNTING	0.3	0.3	0.3	0.3	0.3	0.3
MINING, OIL & GAS EXTRACTION	1.9	2.2	2.2	1.9	1.8	1.9
UTILITIES	3.3	3.3	3.3	3.1	2.7	2.7
CONSTRUCTION	4.4	3.9	4.6	4.3	4.4	4.5
MANUFACTURING	12.4	12.8	12.7	12.7	12.5	12.9
WHOLESALE TRADE	6.3	6.2	6.2	6.5	6.6	6.6
RETAIL TRADE	5.8	5.9	6.0	6.2	6.2	6.3
TRANSPORTATION & WAREHOUSING	7.1	7.0	6.8	6.7	6.6	6.5
INFORMATION & CULTURAL INDUSTRIES & ARTS & ENTERTAINMENT	4.1	4.3	4.4	4.6	4.7	4.7
FINANCE & INSURANCE & REAL ESTATE & RENTAL & LEASING	19.6	19.6	19.9	20.2	20.3	20.4
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES	2.8	2.5	2.5	2.4	2.5	2.6
MANAGEMENT OF COMPANIES & ENTERPRISES & ADMINISTRATIVE & OTHER SUPPORT	1.7	1.5	1.5	1.6	1.6	1.6
EDUCATION SERVICES	5.3	5.1	5.1	5.0	5.0	5.1
HEALTH CARE & SOCIAL SERVICES	7.5	7.2	7.0	7.1	7.2	7.2
ACCOMMODATION AND FOOD SERVICES	2.3	2.6	2.6	2.5	2.4	2.2
OTHER SERVICES	2.7	2.8	2.8	2.9	2.8	2.8
PUBLIC ADMINISTRATION	7.5	7.5	7.5	7.5	7.4	7.4
GROSS DOMESTIC PRODUCT AT BASIC PRICES	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

* BASED ON THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS)

TABLE 9

REAL MANITOBA GROSS DOMESTIC PRODUCT
EXPENDITURE-BASED
COMPARISON BETWEEN NOVEMBER 2004
AND FEBRUARY 2004 PUBLICATIONS
1999 -2003

	1999	2000	2001	2002	2003
	(MILLIONS OF CHAINED 1997 DOLLARS)				
PERSONAL EXPENDITURE	0	0	0	0	65
GOVERNMENT EXPENDITURE	0	0	0	0	-38
GOVERNMENT INVESTMENT IN CAPITAL	0	0	0	40	56
GOVERNMENT INVESTMENT IN INVENTORIES	0	0	0	0	0
BUSINESS INVESTMENT	0	-2	4	167	-94
BUSINESS INVESTMENT IN INVENTORIES	0	0	0	0	301
EXPORTS OF GOODS AND SERVICES	-1	16	-387	-576	-584
EXPORTS TO OTHER COUNTRIES	-1	14	-384	-528	-220
EXPORTS TO OTHER PROVINCES	0	2	1	-44	-366
DEDUCT: IMPORTS OF GOODS AND SERVICES	0	0	0	0	432
IMPORTS FROM OTHER COUNTRIES	0	0	0	0	-53
IMPORTS FROM OTHER PROVINCES	0	0	0	0	478
STATISTICAL DISCREPANCY	1	-9	188	199	50
REAL GDP AT MARKET PRICES	**-1**	**5**	**-197**	**-177**	**-347**
REAL FINAL DOMESTIC DEMAND	0	-2	3	200	-8